

**MINUTES
of the
SECOND MEETING
of the
INDIAN AFFAIRS COMMITTEE**

**July 5-7, 2006
Pueblo of Zuni
Gallup, New Mexico
Pinedale Chapter, Navajo Nation**

The second meeting of the Indian Affairs Committee for the 2006 interim was called to order by Senator John Pinto, co-chair, on Wednesday, July 5, 2006, at 10:43 a.m. at the Zuni High School in the Pueblo of Zuni.

Present

Rep. James Roger Madalena, Co-chair (7/6)
Sen. John Pinto, Co-chair
Sen. Rod Adair
Rep. Ray Begaye
Sen. Dianna J. Duran (7/5)
Rep. Irvin Harrison
Rep. Patricia A. Lundstrom
Sen. Lidio G. Rainaldi
Sen. Nancy Rodriguez
Sen. John C. Ryan
Rep. Don L. Tripp (7/5-6)
Sen. Leonard Tsosie (7/7)
Rep. Teresa A. Zanetti (7/5-6)

Advisory Members

Sen. Richard C. Martinez
Rep. Gloria C. Vaughn

Absent

Rep. Manuel G. Herrera
Rep. W. C. "Dub" Williams

Sen. Ben D. Altamirano
Sen. Joseph J. Carraro
Rep. Ben Lujan
Rep. Debbie A. Rodella
Rep. Nick L. Salazar
Sen. William E. Sharer

(Attendance dates are noted for those members not present for the entire meeting.)

Staff

Charles H. Van Gorder
Mark Bolton

Guests

The guest list is in the meeting file.

Handouts

Copies of all handouts and written testimony are in the meeting file.

Wednesday, July 5 - Zuni High School

Arlen P. Quetawki, Sr., governor of the Pueblo of Zuni, welcomed the committee to the pueblo. Following an invocation by Governor Quetawki, members of the committee, the committee staff and the audience introduced themselves.

Pueblo of Zuni — Status Update

Lieutenant Governor Carmelita Sanchez reviewed the history of the Pueblo of Zuni. In 2005, the pueblo had a population of 11,500, of which 1,000 were non-Zunis. The pueblo has had a steady annual growth rate of approximately 2.6 percent since 1970. Approximately 36 percent of the population is age 25 or younger. The pueblo's population growth has resulted in a current need for housing for 800 families. Lieutenant Governor Sanchez also described the pueblo's efforts in the areas of economic development, tourism, the Fort Wingate project, health care and education. Andrew Othole, a planner with the pueblo, discussed the status of capital outlay projects, including the need for a new youth center. Ernest Mackel addressed issues relating to education. The Zuni district was formed in 1980 and now has 1,650 students from pre-kindergarten through twelfth grade. There is a need for an alcohol treatment center that recognizes traditional cultural values. He also noted a shortage of housing for teachers within the district.

In the course of questions and discussion by committee members, Representative Lundstrom moved that the committee write a letter urging that the conversion of Fort Wingate be expedited. The motion was seconded by Representative Harrison and passed without objection. Representative Lundstrom also moved that the committee write a letter to the Public School Capital Outlay Oversight Task Force recommending that funds be provided for teacherage housing. The motion was seconded by Representative Begaye and passed without objection.

Regional Transportation Planning

Issues regarding regional transportation planning were addressed by Mark Maryboy, chair, Transportation and Community Development Committee, Navajo Nation, Tom Platero, director, Department of Transportation, Navajo Nation, Arbin Mitchell, director, Division of Community Development, Navajo Nation, Raphael Martin, chair, Road Committee, Eastern Navajo Agency, Paulson Chaco, planning and community development director, Ramah Chapter, Navajo Nation, Royce Gchachu, director, Department of Transportation, Pueblo of Zuni, Irvin Bekis, transportation division manager, Navajo Regional Office, Bureau of Indian Affairs, and Douglas MacDonald, highway engineer, Southwest Regional Office, Department of Transportation, Bureau of Indian Affairs.

Members of the panel described the general process by which Navajo Nation roads are planned, designed and built and the involvement of the Bureau of Indian Affairs. Specific attention was given to the proposed Navajo Highway 55 and Navajo Highway 125. Highway 55 is planned to run north from the Alamo Chapter of the Navajo Nation, through land belonging to the Pueblo of Laguna, and tie in with old United States Highway 66. Phase 1 consisting of an eight-mile stretch has been completed. Planning for phases 2 and 3, which will bring the road to

the Laguna trust land boundary, is underway and has been elevated in priority to be constructed in 2007. While the entire project will be designed at one time, it is not certain when the entire project will be completed. The panel members commented on how difficult it is to undertake road construction projects on the basis of the annual amounts tribal entities receive through the federal Indian Reservation Roads Program. Given the ongoing increases in road construction costs, the panel members generally agreed that it would be beneficial if limited annual revenue streams could be leveraged through the issuance of bonds, giving the ability to start and complete road construction projects in a timely manner rather than through an annual, piecemeal approach.

Mark F. Valenzuela, director of government affairs, New Mexico Finance Authority (NMFA), gave a presentation regarding the background of the NMFA, including its mission, history and outlook, the fundamentals of debt financing through the issuance of bonds and Governor Richardson's Investment Partnership (GRIP) Program. Following a discussion of bonding programs related to highway projects, Senator Rodriguez moved that representatives of the NMFA be invited to present at the committee's October meeting regarding the feasibility of a bonding program for tribal roads based upon revenue from the federal Indian Reservation Roads Program. The motion was seconded by Representative Tripp and passed without objection.

State Highway 491 — Status Update

Representatives of the Department of Transportation who addressed the committee included Robert Ortiz, deputy secretary of operations, Steve Harris, chief engineer, Ricardo Roybal, project development engineer, Larry Maynard, district engineer, District 6, and Fernando Trujillo, assistant district engineer, District 6.

As of April 1, 2006, all GRIP I projects were underway in either design or construction. Thirty-one projects have been let to contract for a total of \$385 million. Ninety-eight percent of the contractors are from New Mexico. Eighty-four projects have been let for design contracts and 70 projects are being designed in-house at the Department of Transportation. The GRIP I projects have put 1,700 New Mexicans to work. The NMFA has issued \$700 million in bonds, which should be expended by September 2007. A new bond sale will be conducted this coming fall.

The GRIP I project for State Highway 491 (formerly known as State Highway 666) involves a 70-mile stretch of Highway 491 from Tohatchi to Shiprock. The project has been split into two parts: the 37 miles north of Sheep Springs and the portion south of Sheep Springs to Tohatchi. The reason for this split is that the northern portion already has the necessary right-of-way width while the southern part has right-of-way problems and more complicated archaeological issues. The design work for the northern part is 75 percent complete and it should be completed by December of this year. The required environmental documentation has been completed and it is anticipated that the construction contract should be let for bid in October 2007. The time frame for the southern part is up to a year and a half behind that of the northern part. The design for the southern part is 15 percent complete and the design should be completed in a year. It will be six to 12 months before the environmental documents for the southern part are completed. The controlling factors for the timing of the completion of this project are the required environmental documentation and the capacity of the state's highway construction industry to undertake numerous projects at the same time. The anticipated completion date for

the project is 2011 at a total cost of \$151 million. The department is committed to improving Highway 491 though the entire length of the project. Part of the southern portion of the project will include two lanes and the rehabilitation of the existing two-lane highway.

Following the presentations regarding the status of State Highway 491, Senator Pinto recessed the meeting at 3:45 p.m.

Thursday, July 6 - Gallup Campus, University of New Mexico

The second meeting of the Indian Affairs Committee for the 2006 interim was reconvened by Senator Pinto on Thursday, July 6, 2006, at 9:20 a.m. at the Gallup campus of the University of New Mexico.

Welcome

Elizabeth Miller, executive director at the Gallup campus of the University of New Mexico, welcomed the committee to the campus. Established in 1968, the Gallup campus now has 3,000 students, including 400 upper-level students. The school grants only associate degrees but the University of New Mexico has five degree programs on the Gallup campus. Seventy-eight percent of the students are Native American. The campus will soon initiate a new nursing school and there will be a new technology and classroom center.

CARE 66 — Update

Sanjay Choudrie, executive director of CARE 66, gave a presentation to the committee regarding the programs of CARE 66. The organization provides transitional housing for men, and 80 percent of its clients are Native American. CARE 66 is a community economic development housing organization addressing homelessness in McKinley County, the poorest county in New Mexico. It is in the process of building 30 units of low-income housing to be known as Chuska Apartments.

Navajo-Gallup Water Supply Project — Status Update

John D'Antonio, state engineer and secretary of the Interstate Stream Commission, Estevan Lopez, director with the Interstate Stream Commission, Ray Benally, director of the Navajo Nation Department of Water Resources, Rege Leach with the Bureau of Reclamation, United States Department of the Interior, and Lance Allgood, executive director of the City of Gallup Joint Utilities District, participated in a panel discussion regarding the Navajo-Gallup Water Supply Project. The proposed settlement will result in more than 340,000 acre-feet per year of water being allocated to the Navajo Nation and its chapters, and will involve both irrigation and drinking water supply projects. Water diverted from the San Juan River will also serve the City of Gallup and the Jicarilla Apache Nation. The settlement will also provide certainty regarding water allocations to non-Indians. The total cost of the project is estimated at \$720 million in 2005 dollars. Following a discussion by committee members, Senator Rainaldi moved that a letter be written to the state's congressional delegation supporting full funding for the Navajo-Gallup Water Supply Project. The motion was seconded by Senator Rodriguez and passed without objection. A motion was made by Senator Ryan, seconded by Representative Zanetti, that the committee write a letter to Governor Richardson stating that the Navajo-Gallup Water Supply Project be the number one water project for the upcoming legislative session; the

motion passed without objection. Representative Lundstrom moved that the Navajo-Gallup Water Supply Project be included as a part of the presentation by Mr. D'Antonio to the Legislative Finance Committee. The motion was seconded by Senator Pinto and passed without objection.

Capital Outlay and the Navajo Nation — Status Update

Rebecca Martinez, capital outlay manager for the Indian Affairs Department, Rick Martinez, deputy secretary of the Department of Finance and Administration, and Robert Apodaca, director of the Local Government Division of the Department of Finance and Administration, presented to the committee on the status of capital outlay appropriations to the Navajo Nation and its chapters in New Mexico. The Indian Affairs Department is currently handling 620 capital outlay projects, of which 332 involve the Navajo Nation. The department has been working with the Navajo Nation to address problems with the capital outlay process and the number of delinquent projects has been reduced from 111 last December to only five at the present time. The department has an additional full-time employee for capital outlay projects for fiscal year 2007.

Casey Begaye, director of the Navajo Nation Capital Outlay Office, and Arbin Mitchell, director of the Navajo Nation Division of Community Development, addressed the committee from the perspective of the Navajo Nation. The nation has worked with the state to try to address problems in implementing capital outlay projects and the problems are far fewer than they were a year ago. The process for approving projects at the chapter level has been streamlined from 43 steps to six or seven steps. They would like to see the Navajo Nation and the state have one agreed-upon list for capital outlay projects, but the proposed coordination policy was not approved by the Navajo Nation Council. Only the Newcomb Chapter is authorized to deal directly with the state and the Navajo Nation is trying to streamline the certification process so that more chapters will be able to do so. In discussing the impact of Senate Bill 579 (Chapter 105) from the 2006 legislative session, Latonia Becenti of the Navajo Nation Department of Justice indicated that the nation opposed the provisions of the bill calling for direct payment to chapters as imposing on tribal sovereignty and circumventing Navajo Nation laws. Milton Bluehorse, Jr., from the Navajo Nation Office of the President/Vice President, also indicated the administration's opposition to the provisions of Senate Bill 579.

Tribal Infrastructure Act — Status Update

Stephanie Kiger, general counsel for the Indian Affairs Department, and Governor Ernest Chavez and Kathy Newby, members of the Tribal Infrastructure Board, updated the committee on the status of the implementation of the Tribal Infrastructure Act passed during the 2005 legislative session. The board has 13 members, nine of which are voting members. The board had its first meeting on June 8, 2006 and approved bylaws and policies. The board is developing guidelines for projects to be funded; the most important criterion is likely to be project readiness. The board will present to the committee again later in the interim regarding proposed guidelines and projects that have been submitted for funding.

Native American Arts and Crafts — Certification Mark Program

Robert J. Siebersma, executive director of the High Desert Jewelry Producers Association, presented to the committee regarding the importance of tourism to the state's

economy and problems related to the import and sale of so-called "Indian" jewelry that in fact is not made by Native Americans. Federal and state laws relating to the authenticity of jewelry sold as being Indian have been ineffective in controlling the sale of counterfeit Native American arts and crafts items. He advised the committee that a new system needs to be devised that would encourage the sale of authentic Native American arts and crafts through the use of a certification mark. Such a certification mark should be controllable, defensible and marketable by the state. Kathleen O'Dea, director of the Boards and Commissions Division of the Regulation and Licensing Department, stated that a certification mark program could augment the existing Indian Arts and Crafts Sales Act and would permit centralized investigation and enforcement.

Following the presentations regarding the certification mark program for Native American arts and crafts, the meeting recessed at 4:45 p.m.

Friday, July 7 - Pinedale Chapter, Navajo Nation

The second meeting of the Indian Affairs Committee for the 2006 interim was reconvened by Senator Pinto on Friday, July 7, 2006, at 9:20 a.m. at the chapter house of the Pinedale Chapter of the Navajo Nation. Raphael Martin, chapter president, gave an invocation, after which members of the committee and the audience introduced themselves.

Pinedale Chapter, Navajo Nation — Status Update

Lawrence Morgan, chapter delegate to the Navajo Nation Council and speaker of the Navajo Nation Council, welcomed the committee to the Pinedale Chapter. Speaker Morgan listed many of the ongoing projects at the chapter, including computer purchases, the head start program and power line extensions. He indicated that the frontage road along Interstate 40, sometimes known as Route 66, needs to be maintained by the state, and the state needs to address problems with the payday lending industry. Sarah Jackson, secretary/treasurer for the chapter, reviewed the chapter demographics, organization, infrastructure, housing, community facilities, social services, public safety, education, economic base, agriculture and comprehensive economic planning efforts. President Martin noted that the Navajo name for the chapter is "To Beehwiisgani," meaning "Dry Around the Well". He also commented on problems with long distance telephone service, road construction and state lands that are without running water. Anselm Morgan expressed opposition to proposed in situ uranium mining. In the course of questions and discussion with committee members, Representative Harrison moved that the committee write a letter to the Regulation and Licensing Department requesting that a hearing be held in the Gallup area regarding proposed rules relating to the sale of alcoholic beverages. The motion was seconded by Representative Lundstrom and passed without opposition.

Iyanbito Chapter, Navajo Nation — Status Update

Louise Mariano, chapter coordinator for the Iyanbito Chapter, stated that the senior center building has had its final inspection and that the dedication is scheduled for July 19. She also noted that scopes of work had been submitted for other pending capital outlay projects.

Changes in Medicaid Documentation

Bill Jordan and James Sandoval of New Mexico Voices for Children and Matt Onstott, acting director of the Medicaid program at the Human Services Department, briefed the

committee on new proposed federal rules regarding requirements for proof of citizenship for Medicaid eligibility. These proposed rules could make it much more difficult for Native Americans to establish their eligibility for Medicaid benefits. On a motion by Senator Tsosie, seconded by Representative Begaye, the committee voted without opposition to write a letter to the Federal Centers for Medicare and Medicaid Services opposing the proposed rules as written. The committee also voted without opposition, upon a motion by Senator Tsosie, seconded by Representative Begaye, to write a letter to Governor Richardson requesting that Medicaid benefits for Native American children not be subject to automatic termination.

Adjournment

There being no further business before the committee, the second meeting of the Indian Affairs Committee for the 2006 interim was adjourned at 12:40 p.m.